

## Message Text

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WARREN W. GLICK, ACTING EXECUTIVE VICE PRESIDENT

EB/IFD/ODF:EMLINTON

ARA/BR:JSLATTERY (INFO)

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FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

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E.O. 11652: NA

TAGS: APUB, BR

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO BRAZIL

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 810,000 TO INDUSTRIA SUL AMERICANA DE METAIS, S.A. (ISAM). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, THURSDAY, SEPTEMBER 5, 1974.

QUOTE: EXIMBANK CREDIT OF DOLS 810,000 SUPPORTS DOLS 1.8 MILLION SALE OF U.S. EQUIPMENT TO BRAZIL

TO SUPPORT A DOLS 1.8 MILLION SALE OF U.S. EQUIPMENT FOR A NON-FERROUS METAL FABRICATING COMPANY IN BRAZIL, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 810,000 TO FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF DOLS 810,000 FROM MORGAN GUARANTY TRUST COMPANY, NEW YORK, WILL COVER ANOTHER 45 PERCENT OF THE U.S. COSTS. THE OBLIGOR, INDUSTRIA SUL AMERICANA DE METAIS, S.A. (ISAM), WILL MAKE CASH PAYMENT OF THE

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BALANCE OF 10 PERCENT OR DOLS 180,000.

THE PROJECT CONSISTS OF FURNISHING A FOUR HIGH REVERSING COLD ROLLING MILL AND RELATED MECHANICAL AND ELECTRICAL SYSTEMS AND SPARE PARTS FROM WATERBURY FARREL OF CHESHIRE, CONNECTICUT. THE REVERSING MILL WILL BE USED FOR COLD ROLLING OF COPPER ALLOYS WHICH ARE PRIMARILY USED TO PRODUCE PRODUCTS FOR THE AUTOMOTIVE INDUSTRY. FOUNDED IN 1943, ISAM IS THE LARGEST NON-FERROUS METAL FABRICATING COMPANY IN BRAZIL.

THE LOANS ARE TO BE REPAID IN 10 SEMINANNUAL INSTALLMENTS BEGINNING NO LATER THAN JULY 5, 1976. EXIMBANK'S DIRECT CREDIT OF DOLS 810,000 WILL BE REPAID OUT OF THE LAST 5 INSTALLMENTS AT AN INTEREST RATE OF 7 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT EXTENDED BY THE PARTICIPATING COMMERCIAL BANK RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER OF ABOUT 8.7 PERCENT TO 8.95 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S CREDIT IS TO BE GUARANTEED BY BANCO ITAU. UNQUOTE KISSINGER

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**Subject:** PRESS RELEASE ON EXIMBANK CREDIT TO BRAZIL FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON  
**TAGS:** APUB, BR  
**To:** BRASILIA  
**Type:** TE  
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